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1 2	BEFORE THE FEDER	AL ELEC	TION COMVISSION STON
3 4 5	In the Matter of)	DISMISSAL AND S: 07 CASE CLOSURE UNDER THE
6 7 8	MUR 6564 James Terpening)))	ENFORCEMENT PRIORITY SYSTEM CELA
9 10	GENERAL C	COUNSEL	'S REPORT
11	Under the Enforcement Priority System, the Commission uses formal scoring criteria as		
12	basis to allocate its resources and decide which matters to pursue. These criteria include, without		
13	limitation, an assessment of the following factors: (1) the gravity of the alleged violation, taking		
14	into account both the type of activity and the amount in violation; (2) the apparent impact the		
15	alleged violation may have had on the electoral process; (3) the complexity of the legal issues		
16	raised in the matter; and (4) recent trends in potential violations of the Federal Election		
17	Campaign Act of 1971, as amended (the "Act"), and developments of the law. It is the		
18	Commission's policy that pursuing relatively low-rated matters on the Enforcement docket		
19	warrants the exercise of its prosecutorial discretion to dismiss cases under certain circumstances.		
20	The Office of General Counsel has determined that MUR 6564 should not be referred to the		
21	Alternative Dispute Resolution Office.		
22	Due to the low amounts presented in the Complaint, the Office of General Counsel		
23	recommends that the Commission exercise its prosecutorial discretion and dismiss MUR 6564.		
24	Complainant Dr. Terry Jones filed a Statement of Candidacy for the Office of President		
25	on November 1, 2011, and a Statement of Organization on November 3, 2011, naming "Dr.		
26	Terry Jones 2012" (the "Committee") as his principal campaign committee. In his Complaint,		
27	Jones states that in November 2011, he hired James Terpening to build a campaign website.		
28	Compl. at 1. Jones alleges that Terpening created the website and was paid for his work, but		

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- 1 Terpening did not transfer access to the website or the funds linked to the website to Jones. 2 Id.
- 2 Jones also alleges that "an unknown amount of funds" was received through the website for his
- 3 presidential campaign, but Terpening withheld access to the funds and the account into which
- 4 internet donations were deposited. Id. Jones states that he is "self-reporting" this situation as a
- 5 violation of federal campaign finance laws. Id.

In his Response, Terpening agrees that he was hired to build a campaign website for Jones. Resp. at 1. Terpening indicates that he completed the website in late 2011, but he refused to activate it until Jones paid him for his work. *Id.* After he received payment, Terpening activated the website and performed further work on the website, as Jones requested. *Id.* One update included the addition of a donation page. *Id.* at 2. Although Terpening added this donation page, he told the campaign "not to use it because it would have to be placed into their [sic] name." *Id.* Despite this, according to Terpening, a Jones supporter (apparently a campaign employee) made a \$250 donation through the website. *Id.* Terpening states that he immediately shut the website down after the donation was made, declined the payment, and told the supporter her funds would be credited back to her account. *Id.* Terpening noted that his bank returned the \$1,820 check he received from the Jones campaign for his work on the website for insufficient funds two days after the supporter made the donation on the website. *Id.*

Jones provides no documentation confirming payment. *Id.* Jones attaches an email string, which reflects communications between Terpening and Stephanie Sapp, presumably a campaign employee, showing that Terpening was to "send information for the donation button and for the email addresses." *Id.*, Attach. 1.

This statement may be contradicted by the email attached to the Complaint in which Terpening said the money was "just sitting in the Piryx account." Compl., Attach. 1. This Office has attempted, but has been unsuccessful, in contacting Terpening and clarifying whether the \$250 contribution was returned and whether any additional contributions were processed through the website.

1 Besides his initial statements of candidacy and organization, neither Jones nor his 2 Committee has filed disclosure reports with the Commission.⁴ Jones provided no further information indicating that other contributions were received, or even attempted, via the website. 3 4 Press accounts do not report any significant information about Jones, his potential presidential 5 bid, or his spending. Terpening appears to state in his response that he shut down the website's 6 contribution function just after receiving the single donation, preventing further contributions 7 from being processed through it. 8 Any person receiving a contribution in excess of \$200 for an authorized candidate's 9 committee must, within ten days after receipt, forward that contribution to the committee's

treasurer, along with information identifying the contributor and the date of the contribution.

11 11 C.F.R. § 102.8(a).

It appears that Terpening may have been required to forward the \$250 contribution he received via the website to the Committee, as opposed to returning it to the contributor. However, due to the low amount apparently at issue, the Office of General Counsel does not believe further Commission resources are warranted to pursue this matter further, and recommends that the Commission exercise its prosecutorial discretion and dismiss this matter pursuant to *Heckler v. Chaney*, 470 U.S. 821 (1985). Further, the Office of General Counsel recommends that the Commission approve the attached Factual and Legal Analysis and the appropriate letters and close the file.

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On August 5, 2015, the Reports Analysis Division notified "Dr. Terry Jones 2012" and "Sylvia Jones, Treasurer" that the Committee was being administratively terminated.

The record suggests that the Committee may have made a single expenditure of \$1,820, which was not disclosed on a financial disclosure report. Given the lack of available information and the low dollar amount indicated in the record, we do not believe further enforcement resources are warranted in order to determine whether the Committee had an obligation to file disclosure reports with the Commission.

RECOMMENDATIONS l: Dismiss MUR 6564, pursuant to the Commission's prosecutorial discretion; Approve the attached Factual and Legal Analysis and the appropriate letters; and 3. Close the file. Daniel A. Petalas Acting General Counsel BY: Acting Associate General Counsel **Enforcement Division** Stephen A. Gura Deputy Associate General Counsel **Enforcement Division** Assistant General Counsel Complaints Examination & Legal Administration Attorney Complaints Examination & Legal Administration